

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 13 – SB 47

February 7, 2019

SUMMARY OF BILL: Requires certain provisions of insurance policies held by a county election commission (CEC) to control during a legal proceeding involving a municipal or county election. Requires a CEC to comply with certain terms of insurance policies held by a county.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Due to multiple unknown factors a precise decrease in local expenditures cannot reasonably be determined.

Assumptions:

- Tennessee Code Annotated § 2-12-101(c) provides that an applicable county or municipality is responsible for furnishing legal counsel for a CEC when it is involved in a legal proceeding involving a local election.
- The proposed legislation would require any insurance policy carried by the CEC which provides coverage of claims asserted in a lawsuit to control the determination of such legal representation.
- To the extent an insurance policy covering a CEC determines legal representation and such representation costs otherwise would not have been covered under a county or municipal insurance coverage and ultimately borne by the county or municipality; there will be a decrease in local government expenditures.
- Pursuant to Tenn. Code Ann. § 2-12-109(a), it is the responsibility of the county to fund the operations of its CEC and appropriate funds sufficient to pay expenses that are reasonably necessary for the discharge of the statutorily mandated duties of its CEC.
- The proposed language would require the CEC to comply with terms of an insurance policy held by the county which covers the CEC, its employees, or election officials with respect to expenses covered by the policy.
- To the extent an insurance policy specifically states what expenses are to be borne by the county and in the absence of such policy the county would be responsible for additional expenses, there will be a decrease in local government expenditures.
- Due to multiple unknown variables such as the number of insurance policies held by CECs statewide, the extent of any costs associated with legal representation in election suits which will be covered under CEC policies, the number of counties which have insurance policies covering CECs, and the extent of any decrease in local expenditures

associated with no longer covering certain expenses of CECs, a precise decrease in local government expenditures cannot reasonably be determined.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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